

Message Text

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17

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 AGR-10 /113 W
----- 027045

R 121517Z JUN 75

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 8759

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS HELSINKI 1273

E.O. 11652: N/A

TAGS: EFIN, ETRD, EALR, FI

SUBJECT: MAY TRADE DEFICIT AT HIGH LEVEL - IMPORT DEPOSIT SCHEME
HAS NOT BEGUN TO BITE

REF: (1) HELSINKI 570 (2) HELSINKI 1232

1. MAY TRADE STATISTICS SHOW THT IMPORT DEPOSIT SCHEME
HAS NOT YET HAD HOPED-FOR RESULT OF MATERIALLY IMPROVING
FINLAND'S TRADE BALANCE. IMPORTS IN MAY TOTALED FMK
2,340 MILLION AND EXPORTS FMK 1,590 MILLION, FOR TRADE
DEFICIT OF FMK 750 MILLION FOR MONTH AND FMK 3,556 MILLION
FOR FIRST FIVE MONTHS, ALMOST DOUBLE THE FMK 1,832
MILLION TRADE DEFICIT IN THE SAME PERIOD OF 1974.

2. ABOUT THE ONLY HOPEFUL THING ABOUT THE MAY TRADE
FIGURES WAS THE FACT THAT IN VALUE TERMS TOTAL
IMPORTS WERE ONLY 3 PERCENT ABOVE MAY 1974 LEVEL,
REPRESENTING A DECREASE IN VOLUME. ON OTHER HAND,
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EXORTS IN MAY WERE 14 PERCENT LOWER IN VAUE TERMS

THAN IN MAY 1974. MUCH OF THIS DROP IS DUE TO
WEAK MARKET CONDITIONS ABROAD FOR FOREST PRODUCTS
ESPECIALLY PLYWOOD, CHIPBOARD AND LUMBER.

3. PARLIAMENT PASSED SECOND SUPPLEMENTARY BUDGET
ON JUNE 11 CALLING FOR FMK 2.7 BILLION IN EXPENDI-
TURE, OFFSET BY ESTIMATED INCREASED INCOME OF
FMK 1.3 BILLION. PROMISED RESTRAINT IN CENTRAL
GOVERNMENT EXPENDITURE (REF 1) HAS NOT YET BEEN
VERY VISIBLE.

4. COMMENT: WHILE A LITTLE TIME HAS BEEN BOUGHT
BY ARRANGEMENT TO USE IMF RESOURCES (REF 2), IF
MONTHLY TRADE DEFICITS ON ORDER OF MAY CONTINUE,
BY END OF YEAR DEFICIT WILL BE BETWEEN FMK 8 AND
9 BILLION, WELL ABOVE 1974'S RECORD ALMOST 5 BILLION
DEFICIT AND 12 TIMES CREDIT IMF MAKING AVAILABLE TO
FINLAND.
AUSTAD

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Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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